

Meeting with Korsakov District Community

22 November 2018

Children's Art School
(Korsakov, 14 Sovetskaya)

16:00 – 18:10

Representatives of Sakhalin Energy

1. Alexander Singurov, Deputy Production Director / LNG Support Manager
2. Dmitriy Panteleev, Head of Production Support Department
3. Timur Gafarov, Deputy Head of LNG Train 3 Construction Project Development
4. Maxim Smolin, Deputy Head of LNG Train 3 Construction Department
5. Andrey Samatov, Head of the Corporate Environmental Division
6. Marina Ivanchikova, Environmental Engineer, Prigorodnoye Production complex
7. Vladimir Besspalov, Senior Specialist, South Assets Security Subdivision
8. Andrey Klepikov, Head of External and Corporate Affairs Department
9. Natalia Gonchar, Head of Social Performance Subdivision
10. Oleg Tkachenko, Head of the Government and Shareholders Affairs Subdivision
11. Larisa Yamomoto, Head of the Communications, Stakeholder Engagement and Event Management Subdivision
12. Tatyana Deridvedmid, Senior Specialist of the Social Performance Subdivision
13. Valentin Zhovtun, Specialist of the Social Performance Subdivision
14. Elena Glavanova, Community Liaison Officer in the Korsakov District
15. Maria Skokova, Specialist of the Social Performance Subdivision

Representatives of government authorities

1. Vadim Vanichkin, Deputy Minister of Natural Resources and Environmental Protection of the Sakhalin Oblast
2. Lyudmila Khmyz, Chairman of the Assembly of the Korsakov District
3. Viktor Belolipetsky, Member of the Assembly of the Korsakov District
4. Elena Kostitsyna, Deputy of the Assembly of the Korsakov District
5. Nikolay Kudym, Deputy of the Assembly of the Korsakov District
6. Tatyana Spiridonova, Deputy of the Assembly of the Korsakov District

Community representatives: 20 people

Meeting Agenda:

- Prigorodnoye Production Complex
- Environmental industrial control results
- Regular public opinion survey in Sakhalin communities (Korsakov)
- Questions and answers

At the beginning of the meeting, N. Gonchar conducted a pre-meeting safety induction. N. Gonchar warned those present that the meeting would be audio recorded for the subsequent drawing up of minutes (the minutes of previous meetings are available on the company’s website and the Korsakov Administration website).

D. Panteleev spoke about the work of the Prigorodnoye Production Complex, the reliability indicators of the process equipment at the LNG plant, scheduled and unscheduled shutdowns, as well as approaches of inert vessels over the past period, as a result of which the residents of Korsakov could observe increased flaring and smoke formation.

A. Samatov spoke about the results of industrial environmental monitoring in the current year, monitoring the quality of atmospheric air and noise at the border of the sanitary protection zone and Stroitel Gardeners’ Non-Commercial Partnership, as well as about waste management in 2018.

V. Zhovtun presented the results of a regular public opinion survey in Sakhalin settlements, paying particular attention to the situation in Korsakov. He also spoke about the public awareness raising mechanisms that the company uses based on this research.

The company representatives recorded all questions asked during the meeting. Answers to the questions not answered at this meeting will be provided by the company at the next public meeting, which is scheduled for June 2019, as well as at subsequent meetings as soon as relevant information is available.

Question <i>(in the wording used by the speakers)</i>	Answer
When will the construction of the LNG train 3 begin? When will the required staff be recruited, from what countries, and what occupations will prevail? What will be the number of employees? <i>(question submitted before the community meeting)</i>	T. Gafarov: As of today, we have completed the technical part of the project, the key stage of which was to develop technical documentation involving professional design institutes such as Giprogazcenter and Shell Global Solutions. We have received a positive conclusion on this documentation from Glavgosexpertiza. To date, a number of non-technical actions are under way, such as negotiation processes. Based on the results of these non-technical actions, the shareholders of the company

Question <i>(in the wording used by the speakers)</i>	Answer
	<p>and the Russian party will make a decision on the further development of the project.</p> <p>As regards the employment issues, the bulk of the work will certainly be awarded on the basis of the tender procedures, established in the company. An appropriate contracting organisation will be selected following the results of the tender. We always say on behalf of the company that local people (residents of the Sakhalin Oblast and Korsakov, in particular) have priority in the selection of job candidates, all other conditions being equal, such as the availability of vocational education in the required profession and speciality.</p>
<p>How many meetings did the Korsakov Sustainable Development Partnership Council have in 2018? <i>(question submitted before the community meeting)</i></p>	<p>M. Skokova: In 2018, in addition to addressing issues that did not require holding dedicated meetings and were resolved by e-mail, there were two in-person meetings of the Korsakov Sustainable Development Partnership Council (hereinafter referred to as the Council).</p>
<p>What issues were raised at the Council? Which of the raised issues were resolved, and which were left without consideration? <i>(question submitted before the community meeting)</i></p>	<p>M. Skokova: The Council considered projects and applications submitted to the grant competition, which is held with the financial support of Sakhalin Energy. Examining such projects submitted for competition is one of the main functions of the Council. In 2018, 27 projects were reviewed at two meetings of the Council. Following the meetings, 17 projects received funding from the company, including those that became winners of the Project Fair — the final event of each round of the competition, when projects with the maximum requested amount of up to RUB 300 thousand are presented to the public, and it is the audience of the Fair who decide whether or not each of them should be financed. Another round, where four such projects were presented, has recently been completed.</p>
<p>How regularly did the members of the Administration attend the meetings of the Council in 2018? List the names of those present at Council meetings. <i>(question submitted before the community meeting)</i></p>	<p>M. Skokova: The Council is a trilateral partnership, which consists of three representatives from the government, three — from the company, and three — from community. The three representatives of the government are Timur Maginsky (Mayor of the Korsakov District), Lyudmila Khmyz (Chairman of the Assembly of the Korsakov District), and Oleg Manukhin (Deputy Head of the Social Development Department of the Korsakov District Administration).</p>

Question <i>(in the wording used by the speakers)</i>	Answer
	<p>T. Maginsky and O. Manukhin represent the Administration, while L. Khmyz represents the Assembly.</p> <p>The community is represented by Elena Rashchupkina-Lopukhina (she has been a member of the Council since the day of its establishment), Olga Rusakova (a representative of the Rotary Club), and Elena Tishkova (head of the Solovyevka Settlement Library, representing the rural part of the district).</p> <p>The representatives of the company are Natalia Gonchar (Head of Social Performance Subdivision), Oleg Tkachenko (Head of the Government and Shareholders Affairs Subdivision), and Anna Lygina (Lead Specialist of the Social Performance Subdivision).</p> <p>As regards attendance, two in-person meetings of the Council were held in 2018, as it was already mentioned, and each of them was attended by at least one representative of the government authorities, because otherwise the meeting would not have been considered eligible.</p> <p>N. Gonchar said that three of the nine members of the Council were present at the meeting; therefore, if any questions are asked regarding the activities of the Council, its members would be able to answer them together.</p>
<p>Why didn't at least one representative of the Supervisory Board attend any of the meetings in many years? <i>(question submitted before the community meeting)</i></p>	<p>L. Yamomoto: Issues related to engagement with stakeholders and community are in the scope of responsibility of the External and Corporate Affairs Department, whose specialists organise such meetings. Since the beginning of its operations, the company has organised meetings with the population of the districts affected by the implementation of the Sakhalin-2 project. These meetings are attended by company specialists, who provide information about the company's activities during the reporting period, as well as answer questions asked by representatives of community and stakeholders.</p> <p>Members of the Sakhalin-2 project Supervisory Board are engaged in the strategic management of the project: addressing issues related to the budget, annual estimates and expenses, material and</p>

Question <i>(in the wording used by the speakers)</i>	Answer
	<p>technical supply of the company, and adopting relevant decisions. The Supervisory Board includes 12 persons: representatives of the Russian party and representatives of the company. You can find more detailed information on the composition of the Supervisory Board on the company's website www.sakhalinenergy.ru and in the Sustainable Development Report.</p>
<p>You said that the [LNG] plant was one of the best in the world. Have there been any serious injuries at the plant in the ten years? Briefly, please: yes or no? The second question: how do you deal with labour discipline and safety violators? And how high is the labour productivity at your plant compared to the productivity at other plants? You know that productivity is output divided by the number of employees. I would like to hear from you why your plant was ranked first. <i>(Yu. Yanitsky)</i></p>	<p>D. Panteleev: There have been no fatal industrial accidents since the beginning of operation of the Prigorodnoye Production Complex. One of the indicators of the company is the number of days worked without incidents that caused employees' temporary disability. As of today, the figure is 640 days. This is the priority in our work.</p> <p>As regards violations, we have 10 golden rules that all employees are obliged to follow. We regularly review safety violations and take corresponding remedial actions.</p>
<p>In the presentation, you mentioned 297 Russian employees, residents of Sakhalin, and 37 foreigners, working here. But there is wage discrimination: a Russian receives lower wages than a foreigner working in the same position. Or are their wages calculated using different indicators? For example, when both work as operators. The Russian employee is paid less, and the foreigner — more. Is there any gender-based discrimination — man/woman? <i>(Yu. Yanitsky)</i></p>	<p>D. Panteleev: There is no discrimination; we have a friendly team, set to achieve a common goal.</p>
<p>When the LNG plant was being built, we had a lot of environmental questions. Just now you have shown us a picture of the river: it is so clean where it</p>	<p>D. Panteleev: The plant has equipment, during the operation of which the temperature of the air around it is a little higher than the ambient temperature. Naturally, at night, when the temperature of</p>

Question <i>(in the wording used by the speakers)</i>	Answer
<p>flows out, everything is fine. But we, residents of Korsakov, see that there is always a cloud of smoke above the plant in the mornings, and it is very large. That is, large emissions are made not during the day, but at night. Sometimes we travel to Prigorodnoye at night and there are big emissions — the flares are huge. I think it is done at night so that we will not notice it, right? The vessels arrive and, as far as I understand, they discharge their water somewhere when they approach the plant in Prigorodnoye. Does anyone ever check what kind of water they discharge? Because we have a beach in Prigorodnoye (it can hardly be called a beach, but people do swim there). The current in Aniva Bay moves in the direction of Korsakov. Our children bathe here, and we do not want them to get any infection from the water. <i>(T. Spiridonova)</i></p>	<p>atmospheric air drops, warm gases from the plant rise and form a cloud. This is exactly what you see.</p> <p>A. Samatov: This phenomenon is mainly observed when the weather is calm. The warm air hanging above the plant comes into contact with the sea air saturated with moisture, and forms vapour. If there is no wind, vapour is formed in the form of a fog or a white cloud.</p> <p>There are no increased emissions of pollutants from the plant. The presentation shows all data on the concentration of pollutants in the atmospheric air at the border of the sanitary protection zone. This has been confirmed by quantitative and chemical analyses.</p> <p>As regards the next question, the company has a ballast water management policy. All vessels entering the port of Prigorodnoye to take on hydrocarbons are obliged to exchange ballast water in the open sea. Special water areas have been designated for this purpose, all vessels' logs and other records are checked to make sure that the ballast water has been fully exchanged. Then a rapid chemical test is carried out directly in the Prigorodnoye port in order to make sure that the water exchange has been performed in accordance with the company's requirements. Only after such confirmation the tankers are allowed to discharge ballast water. Additionally, samples of planktonic organisms are taken for a test practically from all tankers in order to check them for the presence of invasive, alien species in the water. This is done round the year, except for the period from January to February, when the temperature of the surrounding sea waters is close to or below zero.</p> <p>Since the beginning of relevant studies, no dangerous invasive species have been detected either in ballast tanks, or in the environment, that is, in the Aniva Bay coastal zone of Prigorodnoye port.</p> <p>N. Gonchar drew the attention of those present to the brochure "Environmental Protection at the</p>

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	Prigorodnoye Production Complex”, published under the editorship of A. Samatov. On page 28 of the brochure, there is a detailed description of the company’s approaches to ballast water management.
There is a thermal power plant in Yuzhno-Sakhalinsk, which also makes thermal emissions. But I have never seen such a cloud hanging over Yuzhno-Sakhalinsk. (T. Spiridonova)	A. Samatov: Exactly the same vapours are formed above the TPP. Such vapours can also form above the water surface in the morning.
Everything is clear. It is your laboratories that make the tests. Tell me please, does any independent laboratory take samples and make tests? (T. Spiridonova)	A. Samatov: Tests are made by a contractor’s laboratory. Under the accreditation system of analytical laboratories in the Russian Federation, any accredited laboratory is deemed to be independent. Competence and independence are the main conditions of their successful accreditation. In addition to the monitoring carried out by the company, Sakhalin Territorial Administration for Hydrometeorology and Environmental Monitoring also conducts state environmental monitoring in the Korsakov District.
My question is connected with the same clouds, which, according to your description, are beautiful and nothing but an exchange of air... These here are your documents (shows). Last year I asked to be informed about scheduled emissions so that I could keep records, since our gardener’s partnership is located there, and people live there, grow vegetables and eat them. I received text messages on the phone and letters. So, “a temporary increase in flaring and smoke formation will begin on 24 June in connection with the scheduled preparation of a gas carrier”. I will not read any more of this letter — it is very long. Further, “In the first decade of July, the company will carry out scheduled maintenance of the LNG plant trains.” “In July, a	<p>N. Gonchar stressed that Tatiana Georgievna’s question concerned the white cloud that can be seen above the plant in the mornings. Andrey Damirovich and Dmitry Vyacheslavovich commented on this very question.</p> <p>N. Gonchar stressed that the messages that were read out had really been sent by the company. The company also published this information in the media, on the website of the administration of the Korsakov District, without concealing anything: when a warm vessel would arrive, when a scheduled shutdown would begin. In other words, all information is openly published.</p> <p>A. Samatov: The listed information is identical to the information published by the company (three shutdown plus two warm tankers). As for pollutants, the company does not claim there are no emissions of benzo(a)pyrene and formaldehyde. The charts that were demonstrated in the presentation showed specific quantitative values of the content of these pollutants in the atmospheric</p>

<p style="text-align: center;">Question <i>(in the wording used by the speakers)</i></p>	<p style="text-align: center;">Answer</p>
<p>temporary increase in gas flaring and smoke formation is expected in connection with the preparation and loading of the gas carrier.”</p> <p>“On 10 August, an increase in gas flaring is expected due to the shutdown of one of the LNG plant trains.” “On 6 September, the final stage of maintenance of the LNG plant trains, the OET, an unscheduled equipment shutdown...” And you said that it had happened only three times. So, in June, flaring lasted much longer than one day — summer residents live there and see everything with their own eyes. These flare emissions last a whole week or so. In June, July, August, and September. We breathe in smoke during the whole gardening period, and you are telling us about white clouds. I have not brought the photographs, but these emissions mainly occur at night, and it is then that all this black smoke falls out on our houses. I have prepared a question to Mr. Samatov: how can the air be clean with such emissions, and how can we live and grow food in such conditions? And how dare you show us conclusions that everything is fine and clean with such emissions? <i>(A. Gafner)</i></p>	<p>air, which are within the limits of the established standards. The company performs regular monitoring and monthly sampling on the dacha plots during the said gardening season.</p> <p>(A slide is shown with data on the concentration of pollutants in the territory of the Stroitel Gardeners’ Partnership.) A. Samatov explains that these are absolute values, and all of them are below the MPC level.</p>
<p>I will read out the minutes of the previous meeting. Yu. Yanitsky told you that it seemed that people did not care. I wrote a letter to the company, addressed to Elena Glavanova. It must have been Valentin Zhovtun who read it and answered my question. I will</p>	<p>N. Gonchar admitted that the proposals had been received. Booklets, brochures, pens, etc. are always available at public meetings.</p> <p>L. Yamomoto: The company sends a request for publication in the newspaper. The editors themselves decide where they can place the advertisement,</p>

Question <i>(in the wording used by the speakers)</i>	Answer
<p>not read it out completely, only the parts about what the company has undertaken to attract more people to public meetings. I indicated the TV channels to post announcements on. Valentin responded to it. Did you promise to give everyone present gifts, calendars, books, did you organise a concert, and so on? Bring a star artist? For example, L. Khmyz could have engaged the Administration in arranging the meeting. Where is Maginsky? Valentin answered the question, but the answer was not exhaustive.</p> <p>Is it possible to place your announcements on the first page of the Voskhod newspaper (as no one reads the end of the newspaper) if you want readers to notice and read it. You really should take into account what I am writing, then more people will attend the meetings. During the last meeting, Natalia Gonchar said that we would think about it together, but half a year has already passed and nothing has changed.</p> <p><i>(M. Petrenko)</i></p>	<p>because they have their own plans for the layout of the issue.</p>
<p>How many of the company's employees present here are residents of Korsakov? Not many? All the others live far from here.</p> <p>We have just seen a beautiful picture, but in fact the trees in our city are drying up, and there must be something that causes it. In our city, the oncological disease rate has sharply increased. There surely are certain factors that cause it. Do you see any</p>	<p>N. Gonchar: At the moment, two of the company's specialists present at the meeting are residents of Korsakov.</p> <p>A.D. Samatov: We are monitoring the publications of the Ministry of Natural Resources and Environmental Protection of the Sakhalin Oblast. A report on the state of the environment is published annually. According to these data, air pollution in Korsakov and Yuzhno-Sakhalinsk is high for reasons beyond the scope of the company's activities.</p>

Question <i>(in the wording used by the speakers)</i>	Answer
connection between these phenomena? <i>(V. Ivanov)</i>	
<p>In 2016, we gathered the population to discuss issues related to the LNG plant construction; among those who came, there were people engaged in different activities, and there were also doctors. Statistics were presented that a serious outbreak of oncological diseases began after the construction of the plant, and many of our children developed health problems. These questions were asked by Kuznetsov, a Deputy of the City District Assembly. We were told that tests would be run and we would be informed about their findings about the causes... But we have not received an answer so far. Have any tests been conducted to identify the growth rate of diseases and their causes? <i>(T. Spiridonova)</i></p>	<p>N. Gonchar: This question is beyond the company's competence.</p> <p>V. Vanichkin: this kind of analysis concerns not only Korsakov and the Korsakov District. This analysis is carried out by the Sakhalin Oblast Ministry of Health and its relevant subordinate institutions in the region as a whole. These issues were also raised at a similar meeting with the population of Nevelsk. According to the representative of the Ministry of Health, there has been an increase in oncological diseases in the Sakhalin Oblast as a whole over the last 6-7 years. Doctors themselves explain this increase primarily by changes in parameters and characteristics of registration, that is, by a new approach to statistics. Now statistics include data that previously were not included, for example, cases of disease diagnosed at early stages. That is why the total number has grown. The Chief Doctor of the Nevelsk District Hospital says that they keep statistics. However, making a statistical conclusion requires 7-8-years of observation. Today, the period of 7-8 years of statistical measurements is drawing up to an end. The doctors say that starting next year, there will be conclusions made on the basis of statistics. In other words, there are no data so far that could form the basis for any conclusions. Of course, as soon as they are available, they will immediately be made public.</p> <p>As regards the relationship between oncology and the state of the environment in the Sakhalin Oblast, the doctors are not ready to draw any unequivocal conclusions just yet, because in addition to making records of what happens to people who consult them, there is another, less pleasant, layer of data. These are the data of autopsy studies. And these data show that today most of the causes of cancer are not directly related to the state of the environment. Most often deaths are the result of an unhealthy way of life, various abuses, bad eating habits, etc. That is, the state of the environment in</p>

Question <i>(in the wording used by the speakers)</i>	Answer
	<p>the place of residence of a person who died of cancer is often the last on the list of the causes of the disease.</p> <p>I do not think that statistics that will be available here in 2019-2020 will unmistakably reveal the interrelation.</p> <p>I must also say that I can observe a deplorable sight in Yuzhno-Sakhalinsk every day; recently, I even I took photographs and took them to Rosprirodnadzor on my way to work, and then we took them to the Administration of the Federal Hydrometeorological Service for the Sakhalin Oblast, which conducts constant observations, to identify the reasons. One of the photos shows that you cannot see absolutely anything literally ten metres before the car. Why are we raising this problem now, why are we talking about it? The studies conducted in the territory of the Sakhalin Oblast show that motor vehicles contribute to air pollution the most, and as a result, account for up to 50% of soil and water pollution, since the latter, in addition to other factors, are polluted by precipitation falling out of the atmosphere. 82% of air pollution in Yuzhno-Sakhalinsk is caused by motor vehicles. The share of air pollution caused by motor transport in the town of Aniva, located near Korsakov, is 67%, in Dolinsk — 62%, and in Korsakov — 65%.</p> <p>We can conclude that road transport is the main problem. What is interesting, we would not encounter such a phenomenon if we lived on a plain, a flat plateau. Unfortunately, all our settlements are fenced, in one way or another, by chains of hills either from the east or from the west (Yuzhno-Sakhalinsk — from all four sides), which prevent free air circulation; thus, more often than not, there are no strong wind currents that would blow away the accumulated impurities. We have these clouds everywhere. There are a lot of them, especially in coastal towns and cities, especially, as you said, in the mornings, when the night breeze blowing from the sea towards the coast brings everything to our territory. This physiographic factor is combined with very intensive use of private vehicles, and the fact that people living in private building areas heat their houses with stoves and use diesel generator</p>

Question <i>(in the wording used by the speakers)</i>	Answer
	stations... This means that a decision must be made to stop using automobiles in order to improve the state of atmospheric air. If you do so, we will notice a difference in the quality of atmospheric air within 10 days.
I would like to go back to the presentation on waste. There is information on Class I-III waste. Where is this waste recycled and disposed of? <i>(E. Kostitsyna)</i>	A. Samatov: All Hazard Class I-III waste is exported outside the Sakhalin Oblast, because there are no landfills for the disposal of waste of these hazard classes in the region.
Is there any programme to engage young personnel — graduates of the Sakhalin Oblast educational institutions who have been trained to work in the oil and gas sector? Do they have priority when applying for a job [at the company]? <i>(E.A. Kostitsyna)</i>	L. Yamomoto: The company implements a Traineeship Programme. We accept graduates of vocational educational institutions to this programme. They have an opportunity to have a traineeship at our facilities, after which they can be invited to work at the company, all other things being equal. I repeat, residents of the Sakhalin Oblast are given priority at employment when all other things are equal. N. Gonchar: There are no representatives of the HR Directorate at the meeting. If you need more detailed information, let us know, and we will invite our colleagues who are directly responsible for this area.
In the autumn of 2004, a landfill was commissioned, which was required for putting the plant into operation. The landfill equipment and new machines worth 32 million, with a total value of 96 million were transferred under a transfer and acceptance certificate. I was a deputy and the chairman of the budget commission, and saw it all with my own eyes. In 2010, the management of the above landfills passed into private hands — to be exact, Mudrova's mother, a pensioner living in Yuzhno-Sakhalinsk, became the founder. The question is: you showed us that the landfill was to be closed, there would be new operators, that negotiations had been going on for 10 years, what	A. Samatov: These questions are complicated. It is also unprofitable for the company to export waste to the mainland from the point of view of operating efficiency and costs. In the presentation slide, you can see that only 38% of Hazard Class V waste is taken to the Korsakov landfill, and 55% — to the Nakhodka landfills. That is, the company has to export waste, because the capacity of the landfill is almost exhausted. If it were possible, the company would dispose of the waste here. As concerns the export of sorted waste, I must say that, unfortunately, waste recycling is not carried out on the island, so it is exported to the mainland for this purpose. The company is engaged in the extraction, preparation and transportation of hydrocarbons and the production of LNG, but not in the processing of waste. N. Gonchar: The Production Sharing Agreement regulates very strictly what Sakhalin Energy can do under the Sakhalin-2 project.

Question <i>(in the wording used by the speakers)</i>	Answer
<p>exactly we would process, that we would manage waste as they do it abroad. But there is no progress. I see that you sort household waste. Where do you take it then? Or do you sort waste and then take it out in one general pile? Now the second question. Does your organisation intend to create a joint venture for the processing and removal of household waste with Sakhalin Energy holding the controlling package of shares to set an example for the entire region and show everybody how this should be done? <i>(Yu. Yanitsky)</i></p>	
<p>What is the share of the Russian content in your company? Who receives profits? <i>(B. Osadets)</i></p>	<p>L. Yamomoto: The company was founded by shareholders. The Russian shareholder is Gazprom; their share is 50% plus one share.</p>
<p>Who defines the policy for attracting labour resources, the employment policy? Is there a special employee responsible for this? <i>(B. Osadets)</i></p>	<p>L. Yamomoto: Sakhalin Energy, just like any other organisation, has a Human Resources Directorate, which is in charge of all issues related to the recruitment and qualifications of staff.</p>
<p>I was not merely surprised by your policy — I was literally shocked. The lowest-level workers — kitchen workers, cleaners, assistant cooks, cooks — are brought here from the mainland or from Yuzhno-Sakhalinsk; they rent housing in Korsakov, which costs a lot. This is something I do not understand: are there no people in the Korsakov District who can work as kitchen workers or cooks, or is it impossible to train them? Why spend the money on their transportation and accommodation? This is a discrimination of local residents. It</p>	<p>N. Gonchar: Statistics on people working at the Prigorodnoye Production Complex were shown in the first presentation. More detailed information on this question can be found in Section 9 of the Sustainable Development Report. At the next meeting, specialists of the HR Directorate will give a more detailed answer to the question, including about the requirements for staff and their qualifications.</p>

Question <i>(in the wording used by the speakers)</i>	Answer
<p>is local people who must get the jobs! <i>(B. Osadets)</i></p>	
<p>I have a question about further cooperation in the framework of the Partnership. This year, we (the Children's Youth Sports School) have won a grant, and purchased, thanks to Sakhalin Energy, expensive equipment worth about half a million. This is for a mass start-finish in winter sports, including participation in events such as the Cross Country Race of Nations. We have already received and tested the equipment. I would like to ask you the following: do you plan any changes for the next year? Maybe, an increase in the amount of funding or other projects, in which we will also be happy to participate, because, indeed, it is one of the rare opportunities for a sports school — a budget institution — to purchase such expensive equipment. Moreover, the school is now expanding; we have switched to a new sports training programme and expect more than 1,000 children next year. We plan to add several other sports clubs, so we are interested in participating in grant programmes and receiving such grants. <i>(V. Belolipetsky)</i></p>	<p>N. Gonchar: Thank you for your question. The Children's Youth Sports School has been one of the most active grantees for many years. As for possible changes, the Council works in three-year cycles; every three years, the Mayor and a company representative sign an agreement. The next agreement will be signed in early 2019. We will put off addressing the issue of increasing the amount of funding for individual grants till the next meeting of the Korsakov Partnership Council, and discuss it with our partners then.</p>
<p>At today's meeting, we have heard about scheduled repairs, equipment replacement, various shutdowns, and so on. We all know that sanctions have been imposed on the Russian Federation. Are there any problems with the supply and</p>	<p>L. Yamomoto: The company management analysed the situation in connection with the sanctions and made a decision that the imposed or expected sanctions would not have a material impact on the company's activities.</p>

Question <i>(in the wording used by the speakers)</i>	Answer
<p>replacement of the equipment that needs to be replaced as part of scheduled repairs and in emergency situations? <i>(G. Zubova)</i></p>	
<p>At the last meeting, Yuri Yanitsky asked a question about oncology, and for some reason, it was not the Ministry of Health, but Vadim Vanichkin who took the rap. Why didn't you invite specialists from the Ministry of Health? Also, the dynamics period indicated last time was 5 years, but today Vadim Vanichkin mentions 7-8 years. This question should be answered by the staff of the Ministry of Health, or at least representatives of the Central District Hospital. And you have invited none of them. Why should residents themselves take the initiative and bring these specialists here themselves? This question should be addressed to the Ministry of Health, and not to the Ministry of Natural Resources. <i>(M. Petrenko)</i></p>	<p>N. Gonchar: Community meetings are held with the support of Sakhalin Energy, in fact, by its staff. The company cannot ensure the presence of representatives of all ministries at company meetings with the public. Vadim Vanichkin kindly agreed to attend the meeting and answer the questions within his competence. As for the Korsakov Central District Hospital, Yury Baskakov, the Acting Chief Doctor, was present at the last meeting. Today, a representative of the Korsakov Central District Hospital — Viktoria Laletina, Deputy Chief Doctor — is present at the meeting, and she can comment on the situation.</p> <p>V. Laletina: The dynamics of cancer diseases and mortality are monitored continuously and on a monthly basis across the Sakhalin Oblast and in the Korsakov District in particular. Cause-and-effect links with the LNG plant are not included in the scope of the healthcare system. We diagnose disease and provide treatment. Such analysis is made by research institutes, which carry out work to identify a causal relationship. In the past, when Khoroshavin was the Governor, this question was raised at the regional level. At that time, it was the issue of a large number of boiler plants, and such analysis was made. As regards the operation of the LNG plant, such studies have never been conducted, as far as I know. I can provide information on cancer incidence and mortality in the Korsakov District. In this regard, sadly, our district does not differ much from the other regions of the Russian Federation. Indeed, the incidence throughout the Russian Federation and the Sakhalin Oblast is growing, in particular, in the Korsakov District. However, if we compare the current incidence with the relevant figure for 2017 (data for 10 months), the incidence has increased by 1%. In the oncology morbidity rating, the Sakhalin Oblast occupies the 44th place. You can see these data on the Internet.</p>

Question <i>(in the wording used by the speakers)</i>	Answer
	<p>If the incidence is registered conscientiously and honestly, including posthumous figures, the incidence rate is bound to rise. I must say that the number of post-mortem examinations has increased from 56% to almost 100% in recent years. This means that we may have overlooked many things in the past, because only 56% of the deceased were subjected to post-mortem examination. When the question of the true mortality rate of population in the region was raised, it was decided to conduct post-mortem examination in 100% of cases, that is, of all the deceased. Only then we saw the real picture. That is, we were able to state more clearly the initial cause of death in each case, because we had objective research data provided by pathologists. This is another factor that contributed to the growth of incidence figures — we began to clearly determine the initial cause of death.</p> <p>Compared with the previous year, there has been a slight decrease in mortality in the Korsakov District, but cancer is still the second most frequent initial cause of deaths in the Korsakov District after cardiovascular diseases.</p>
<p>Here I have a copy of the Vesti (the corporate newspaper of Sakhalin Energy) for March 2016. It says that there is potential for the development of partnership relationships. I quote: “This conversation took place before the signing of a cooperation agreement within the framework of the [Sustainable] Development and Social Investment Programme between Sakhalin Energy and the Korsakov Administration.” My question is: is this programme in effect now? <i>(Yu. Yanitsky)</i></p>	<p>N. Gonchar: This programme is in effect; it is published on the website of the Korsakov Sustainable Development Partnership Council. This information is in open access. When a cooperation agreement is signed, the programme is given a corresponding name.</p>
<p>I would like to tell you about the unconcerned attitude of Sakhalin Energy to the gardener’s partnership, and their careless answers. On 11 July, we had a meeting in your office, which was</p>	<p>N. Gonchar: Olga Beck held meetings as part of social monitoring. This is one of the forms of stakeholder engagement work, conducted by the company. As part of social monitoring, company employees meet with community and record the topical issues. But there are also other forms of work,</p>

Question <i>(in the wording used by the speakers)</i>	Answer
<p>held by Olga Beck. Olesya Romanova, Lena Glavanova and I were present at the meeting. The meeting was devoted to social impact monitoring. Olga asked questions about the dacha cooperative (how many members were left, what we were engaged in, etc.). And then Olga asked me the following question: “Would you like to receive the second half of the compensation? Would the members of your co-operative agree to it?” I replied that, of course, they would agree, since many people had abandoned their land plots.</p> <p>I have come to this meeting so that the issue of the gardeners’ partnership will be raised at the Supervisory Board again. At the meeting I have told you about, I asked Olga to arrange a meeting or transfer the information to them. Olga recorded this request in the minutes. Let me remind you: it was on 11 July.</p> <p>On 31 August, I received an answer from A. Klepikov. I think he did not read the minutes at all, because he did not mention the Supervisory Board in his response. I drew your attention to the fact that Olga had asked me about the second half of the compensation. In his letter, Klepikov wrote: “In answer to your request to include the issues of relocation and payment of compensation to the members...” and so on. No mention of the Supervisory Board. I would accept the answer like this: “Yes, we made a request to the Supervisory Board, but they</p>	<p>such as sending written requests to the company. I can assume that it was one of such written requests that A. Klepikov responded to.</p> <p>Olga Beck recorded in the minutes everything that was said during social monitoring, including the information about a meeting with the Supervisory Board. I must remind you that minutes are written in the presence of the participants of the meeting with a carbon copy, then signed, and the copy is immediately handed over to the meeting participants. This is a common procedure, and it is repeated every year.</p> <p>As regards the participation of the Supervisory Board members, the company has repeatedly answered this question. Besides, we began today’s question and answer session by answering the questions asked by residents before the meeting. Larisa Heidinovna answered this question once again. Each time we emphasise that the minutes of all public meetings are available on the company’s website to all public. Relevant information is also published on the website of the Korsakov Administration. This information is publicly available, and with the exact wording of the questions asked is preserved, including the question related to the participation of the Supervisory Board members. These questions, as well as the company’s answers, are recorded in the minutes. Therefore, it is not true to say that the company is concealing something.</p> <p>A. Klepikov: The comments and questions are the same as those discussed during the personal meeting with representatives of the Stroitel Gardeners’ Partnership in the company’s office. We had a dialogue that seemed constructive to us. As regards the specific question about the participation of the Supervisory Board members, all information that we receive, the problems we discuss are brought to the attention of the company’s management team. Questions that relate to social activities or some social issues are in the scope of the External and Corporate Affairs Department, whose activities, including all letters and appeals that we receive from the residents of Korsakov, are</p>

Question <i>(in the wording used by the speakers)</i>	Answer
<p>answered that they would not invite you to the Supervisory Board or meet with you". But there is more to this. He attached a letter dated 16 March to his answer, which again starts with information that the sanitary-protection zone was established by the Chief Medical Officer of Russia in 2002. Why did he attach this letter? What for? Why did they show such careless attitude to people? To make things worse, the copy of the minutes was actually a carbon copy, and we could not make out anything at all. I took it to the prosecutor, and we could not read what was written there. You treat us this way just to get rid of us. The Supervisory Board is not aware of the situation concerning the gardener's partnership. I had a meeting with Shcherbina, and she said it was the first time she had heard about the issue. You are concealing this problem from the Supervisory Board. I will provide an example: Andreichenko, a representative of the State Duma, came from Moscow. He came to visit you specifically to address our issue. You wrote to him and told him that the gardeners lived very well, and you granted all our requests. Then I had a meeting with him, and when I handed him all the documents and uncovered all your lies, he was shocked. You are hiding our problem from everyone! <i>(A. Gafner)</i></p>	<p>reported to Roman Dashkov, Chief Executive Officer of the company, on a weekly basis. During the face-to-face meeting, several topics were identified where, according to the representatives of the Stroitel Gardeners' Partnership, the provision of information by the company was insufficient or unreliable. These several points were recorded in the minutes, which were signed by representatives of both parties. The Stroitel Gardeners' Partnership members were invited to discuss each of these points in order to receive more information they were interested in. The company did not distort any information. The company is regularly audited by various organisations, both Russian and international, including on the issue of engagement with the residents of the Korsakov District, including dacha owners. To ensure a more constructive cooperation in the future, I suggest that next summer we work out the issues indicated in the minutes, and then meet again and see if there are any questions left about any of them.</p> <p>N. Gonchar noted that there is no information about the meeting with the said deputy at the moment. The company will clarify the information.</p>
<p>I understand that the company is interested in such meetings. It is the second time I have been</p>	<p>N. Gonchar thanked everyone and stressed that information on personnel issues would be presented at the next meetings with the public.</p>

Question <i>(in the wording used by the speakers)</i>	Answer
<p>present at this kind of meeting, and I am sorry that there are very few representatives of our district. Today, the number of company employees is the same as the number of representatives of the public. I do not want to reproach anyone, but rather give a recommendation for organising such meetings in the future. The company has extensive experience — we see different presentations, including on public opinion surveys. The presence of such a large industrial facility in our district, of course, raises a lot of questions of various kinds. We actually live together with the plant. Therefore, I gather from the presentation that various ways can be used, and I want to ask you to use the method of inviting people to such meetings more extensively in the future — this is in your interests and in the interests of our residents (it is their interests that we, deputies, represent). You interact with so many of our community groups. These are the Community Council, the deputies (thanks for the invitation, by the way), also those who actively participate in grant projects. You must have forgotten to invite them. They would be interested in participating in the meeting. Also, representatives of the healthcare institutions, our youth (the Centre for Youth Initiatives), the Youth Parliament, and others. The assembly hall would be full today. This is my request. And secondly, I think you should change your traditional</p>	<p>The company is trying to engage as many people as possible in public meetings. Employees also make phone calls to beneficiaries, the deputies, representatives of the Administration, members of the Korsakov Partnership Council. Valentin Zhovtun said in his presentation that 44% of the Korsakov population were aware of such meetings, but only 2% of the residents were actually interested and attended them.</p> <p>N. Gonchar invited the attendees to think together about possible solutions to the problems. The company will take into account the proposal to include statistical data in comparison with those for the previous year, including on the environment, when preparing materials for the following meetings. At the time of the meeting, data for the three quarters are available. Information on the results of the year will be available only in the first quarter of next year. It will be presented at the next meeting with the public.</p> <p>N. Gonchar also reminded that in the case of issues that required separate consideration, it was possible to hold focus meetings organised by the company for any community group at a convenient time, with an agenda including relevant issues.</p>

Question <i>(in the wording used by the speakers)</i>	Answer
<p>presentations a bit, expand them a little. Information is perceived better when there is a comparison with the previous year. For example, even on environmental issues, emissions: we see that you have statistics by the month. But we do not see the figures for last year. Has the situation improved or deteriorated? I mean that this information should be included in your presentations, since we understand that it is not the first year that the plant has been operating here, and, indeed, you have been asked questions today, and people are worried. This topic is relevant. Personnel issues have been voiced today — this information must also be disclosed in order to remove any doubts concerning the hiring of personnel. In general, thank you so much that you are with us and find ways to organise such meetings. <i>(L. Khmyz)</i></p>	
<p>I would like to express my recommendation, too. I think that the meeting was a success today, because many questions have been asked. When there are no questions, it means that people are not interested in the topic. I am very sorry that the issue concerning the members of the gardeners' partnership has not been resolved at any of the meetings I have attended. Today one of the meeting participants (A. Klepikov) spoke and said that he was a subordinate of R. Dashkov. Then why don't you solve this problem? A. Gafner appealed to the Council of</p>	<p>N. Gonchar thanked the meeting participant for his feedback.</p>

Question <i>(in the wording used by the speakers)</i>	Answer
<p>Veterans. We supported her, because the majority of the gardeners are veterans. I will not dwell on how to address the problem, but I know for sure that it is always possible to find a solution. Therefore, please address the issue so that a solution is finally found, because it is insulting to listen to the same things over and over again. <i>(Yu. Yanitsky)</i></p>	
<p>First A. Gafner appealed to R. Dashkov and R. Hickman as employees of the company, but they refused to help. Then she turned to them as members of the Supervisory Board. She also got a refusal. We are not quite sure about the sincerity of actions on the part of Andrey Klepikov. We still have doubts. According to the documents held by A. Gafner, after her meeting with V. Scherbina as a member of the Supervisory Board, T. Maginsky, Mayor, who was also present at the meeting, took no action until Alla Gafner went to see him again. Even then, after this other meeting, no action was taken. <i>(M. Petrenko)</i></p>	<p>N. Gonchar: We cannot comment on the activities of third parties. We stress once again that the management of the company is aware of the situation with the Stroitel Gardeners' Partnership. The External and Corporate Affairs Department has been tasked to address this issue, and we regularly report all information to the management team. The company openly discusses this issue at public meetings which we hold in the Korsakov District twice a year. If there is an agenda for a focus meeting, the company is ready to organise it.</p>

At the end of the meeting, Natalia Gonchar thanked those present for participating in the meeting, reminded them about the office of the Community Liaison Officer in the Korsakov District and reception hours, informed them about the next meeting to be held in June 2019, and also suggested that the attendees leave feedback about the meeting in the feedback questionnaire.